GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4204
ANSWERED ON:15.12.2000
FDI CONFIDENCE INDEX
MOHAN RAWALE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the country is at 11th position of `the Foreign Direct Investment Confidence Index`;

(b) if so, the number of positions lost by the country as compared to the last survey;

(c) the reasons therefor; and

(d) the corrective steps taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a) & (b) A.T. Kearney India, a private financial consultancy agency, has rated India at 11th rank in the FDI Confidence Index for attracting Foreign Direct Investment (FDI) in its November, 2000 report.India had been ranked at 6th position by the same agency in its June, 1999 report. However, the report says the FDI inflow for the current year will be at the 1999 level.

(c) The report has attributed reasons like pace of Government reforms, poor infrastructure, cultural barriers, poverty and income disparity, Government involvement in the economy and bureaucracy for slip of India`s position in the index.

(d) With a view to attracting more FDI as also to make India a competitive investment destination, Government has already put into place a liberalised FDI policy thereby placing all activities for upto 100% FDI under the automatic approval route and continuously reviews the FDI Policy.Investment promotion measures are undertaken by organising seminars within the country and abroad. A Foreign Investment Implementation Authority has been set up to work as a single point interface between investors and Government to remove post investment obstacles in consultation with State Governments.